

- Opening & Lecture Kalle
- Paul interview (as part of the lecture)

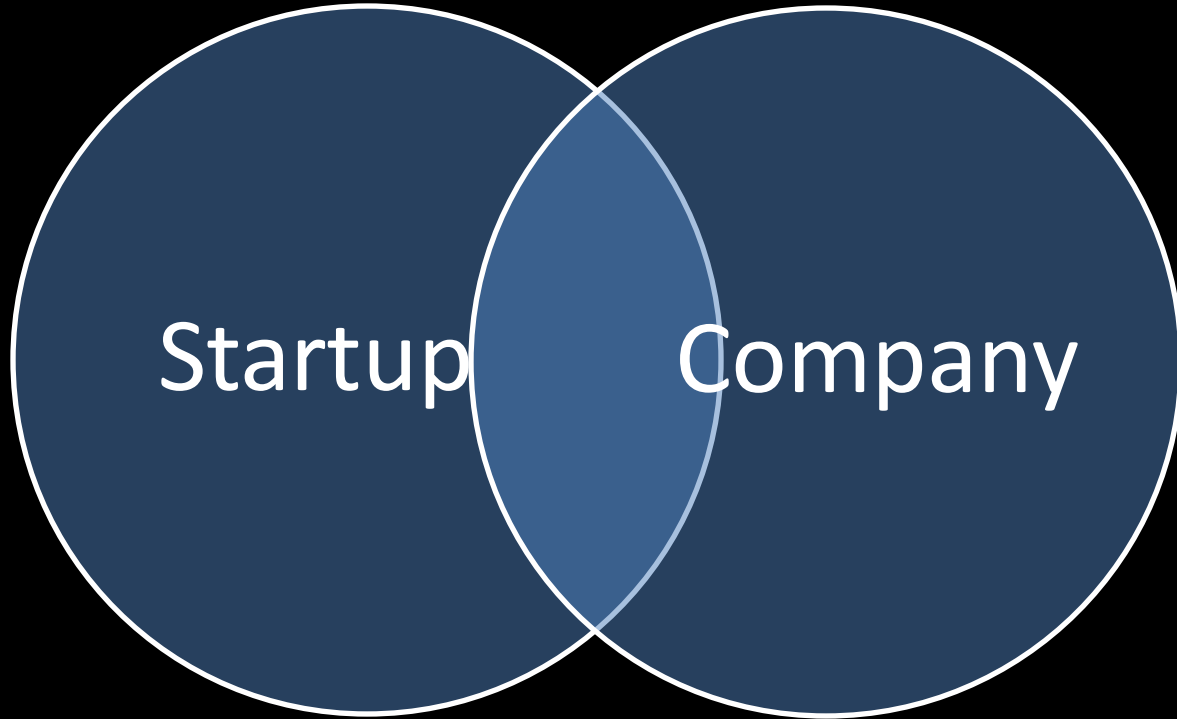
# What is a Startup in Startup Experience?

Kalle Airo 15.09.2022

Most startups are not companies

Most companies are not startups

# Startup ≠ Company



**Search**

**Start-ups**

**Execution**

**Most Companies**

You are here

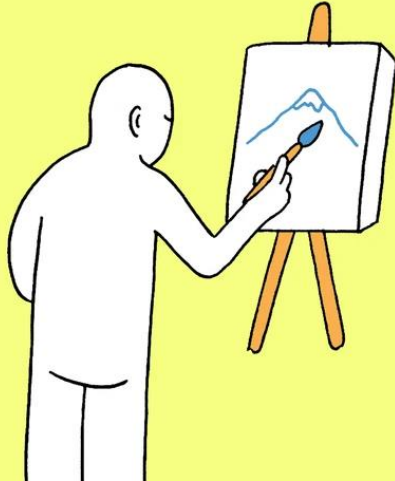
**Search**

**Start-ups**

# HOW ART WORKS

STEP 1

create anything  
you want



STEP 2

WHAT AM I GONNA  
DO WITH ALL THIS  
MONEY?!







PHASE 1

PHASE 2

PHASE 3

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Collect  
underpants



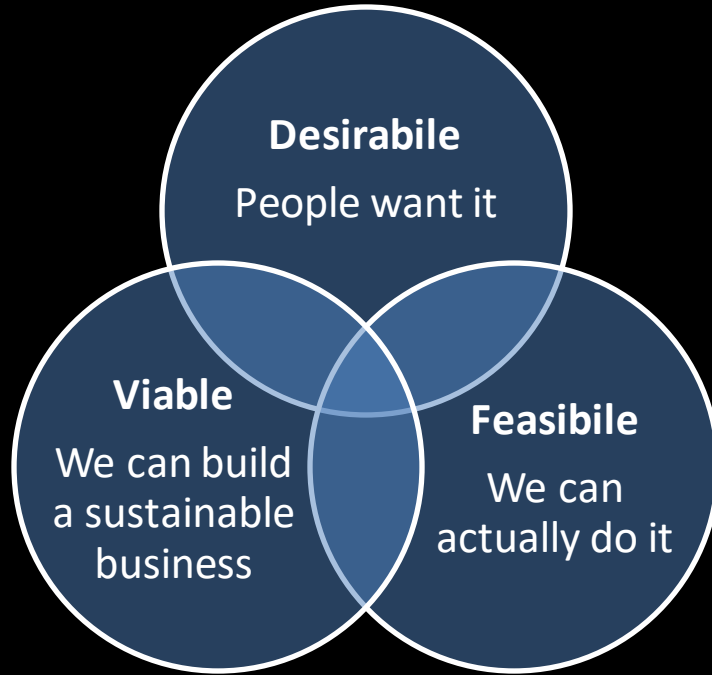
Profit



# ? = Validate that someone

1. Has a need and/or problem
2. Would use your solution to fulfill the need if it would be free
3. Will pay for themselves or someone else using your solution
4. (You can deliver the solution)

# The Three Lenses of Innovation



Original idea from IDEO

Startups

A startup is a temporary organization formed to search for a repeatable and scalable business model

Steve Blank

A Startup is a human institution designed to deliver a new product or service under conditions of extreme uncertainty

Eric Ries

Startups are an act of rebellion

Ken Singer

None of these require a company



You don't need a company before  
you send or receive money

# Startup Companies

A startup is a company designed to grow fast. Being newly founded does not in itself make a company a startup. Nor is it necessary for a startup to work on technology, or take venture funding, or have some sort of "exit." The only essential thing is growth. Everything else we associate with startups follows from growth.

Paul Graham

A 'startup' is a company that is confused about

- What its product is
- Who its customers are
- How to make money
- As soon as it figures out all 3 things, it ceases being a startup and becomes a real business
- Except most times, that doesn't happen

Dave McClure

Startup's early business model is to get other people to pay for the founding team's search for a business model

Kaarlo Väisänen & Mikko Jääskeläinen

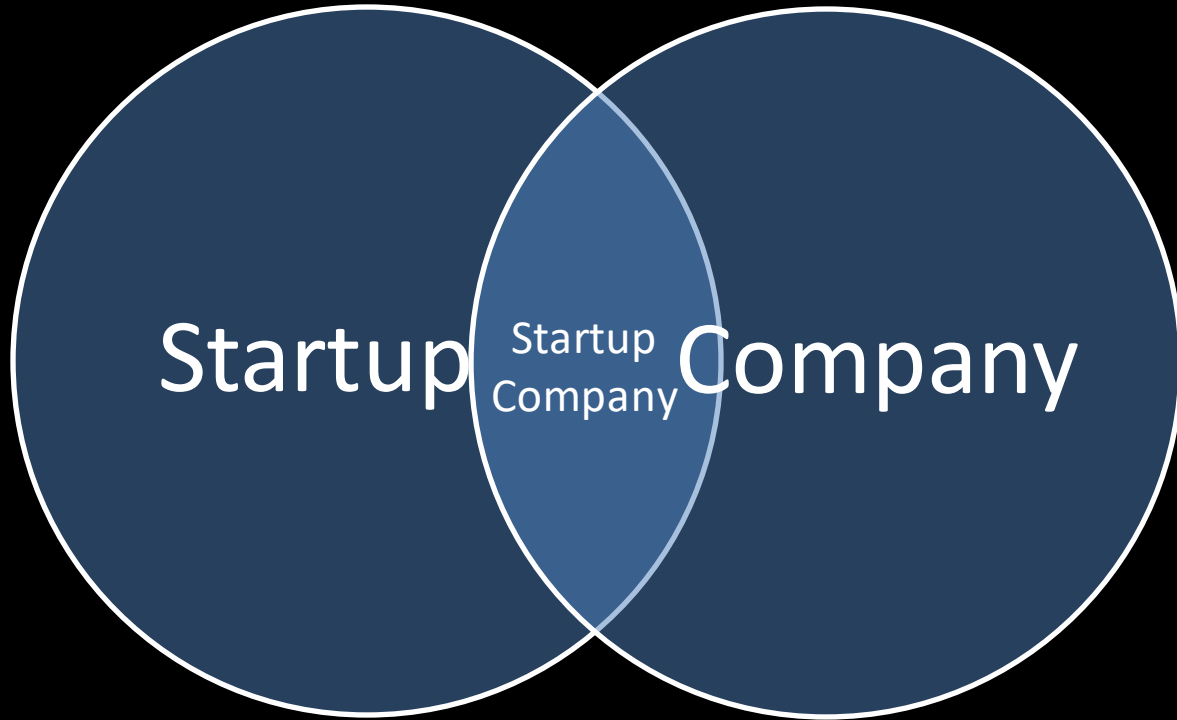
In Startup Experience

Startups search for a repeatable and scalable business model. Therefore **startups do research.**

Your team is a startup



# Startup ≠ Company



# Muddiest point

In one minute, write down what was the muddiest point so far.

What do you want us to clarify more before we move forward?

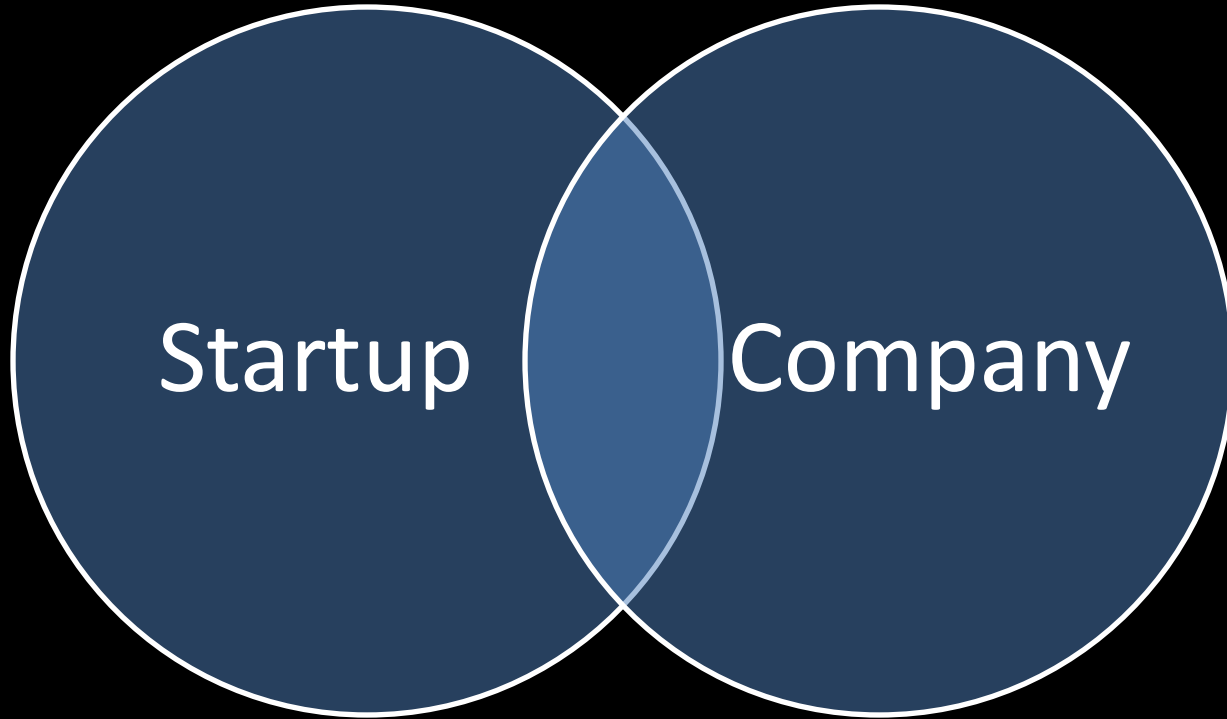
Please share with the class

# Minute paper

In one minute, write down main thing(s) you learned so far. Bullet points and one sentence answers are ok.

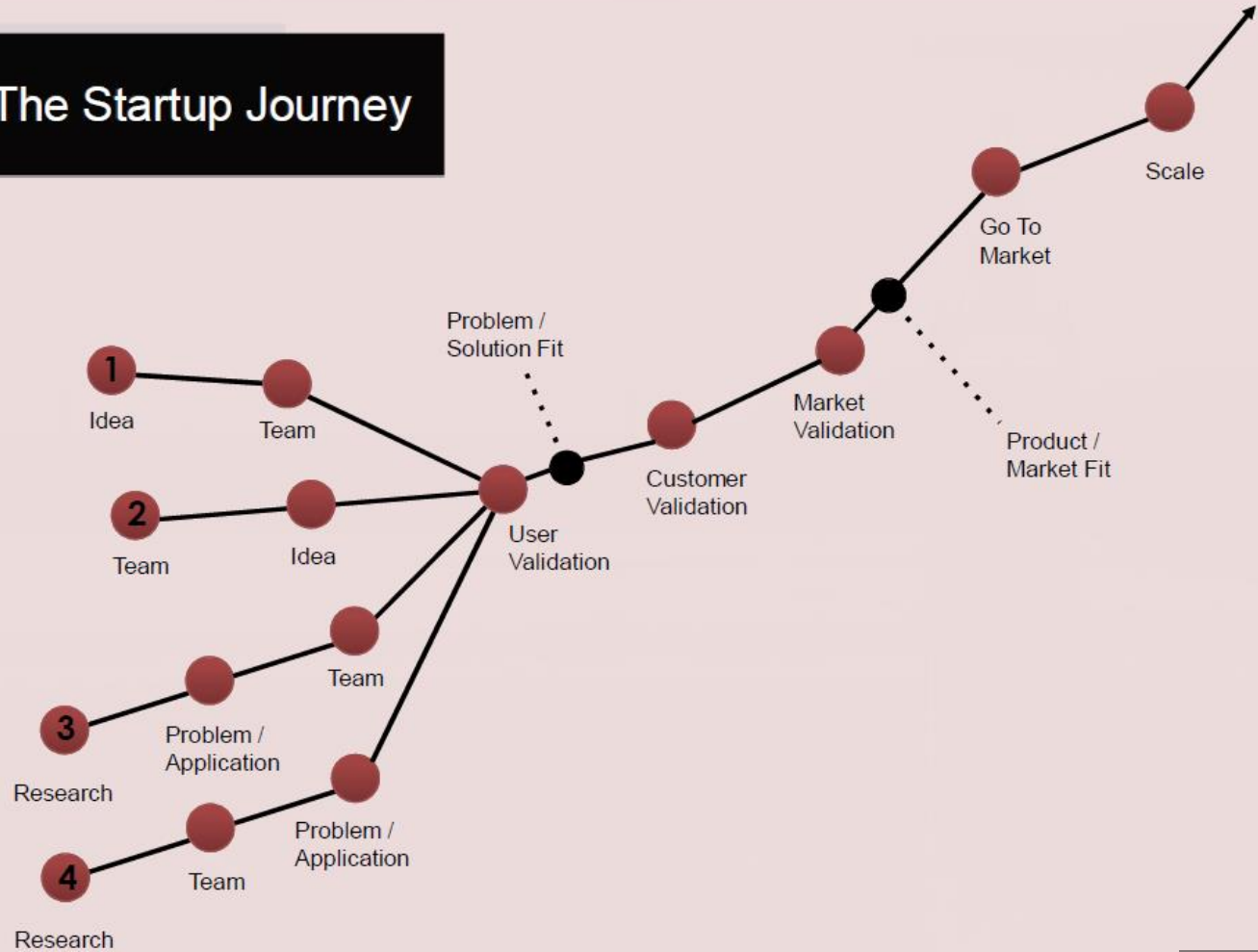
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# Startup ≠ Company

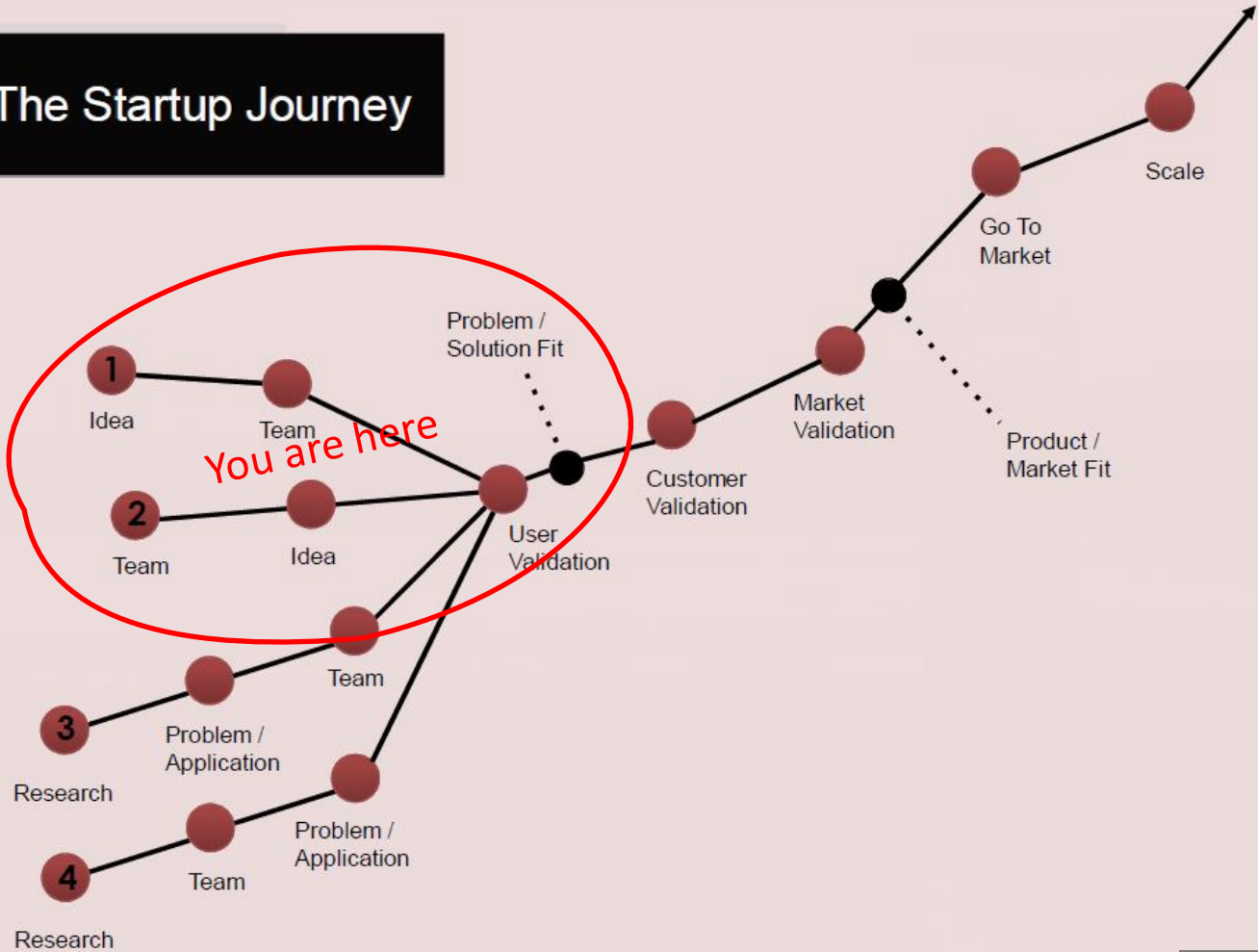


**WHERE DO STARTUPS COME FROM?**

# The Startup Journey



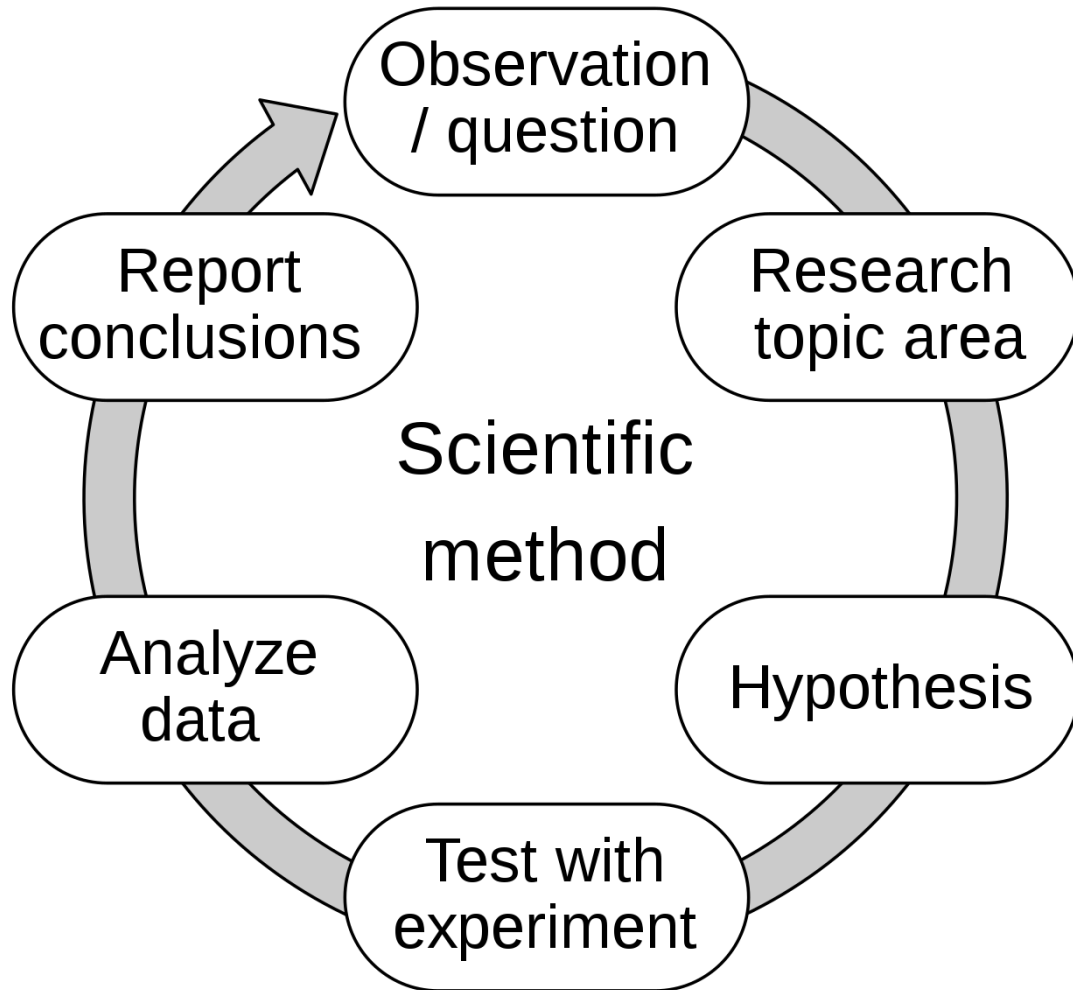
# The Startup Journey

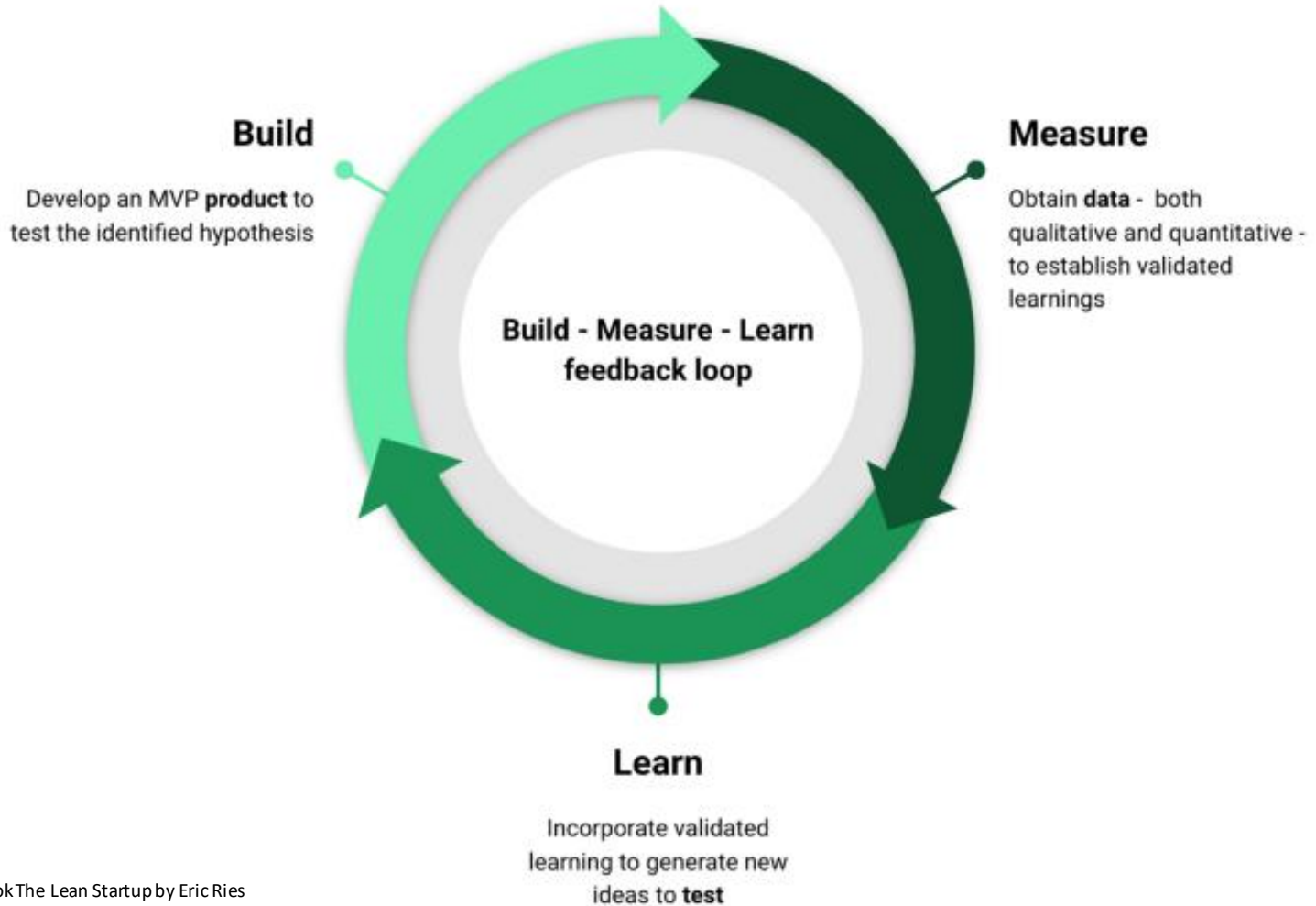


**WHAT DO STARTUPS DO?**



Startups search for a repeatable and scalable business model. Therefore **startups do research.**

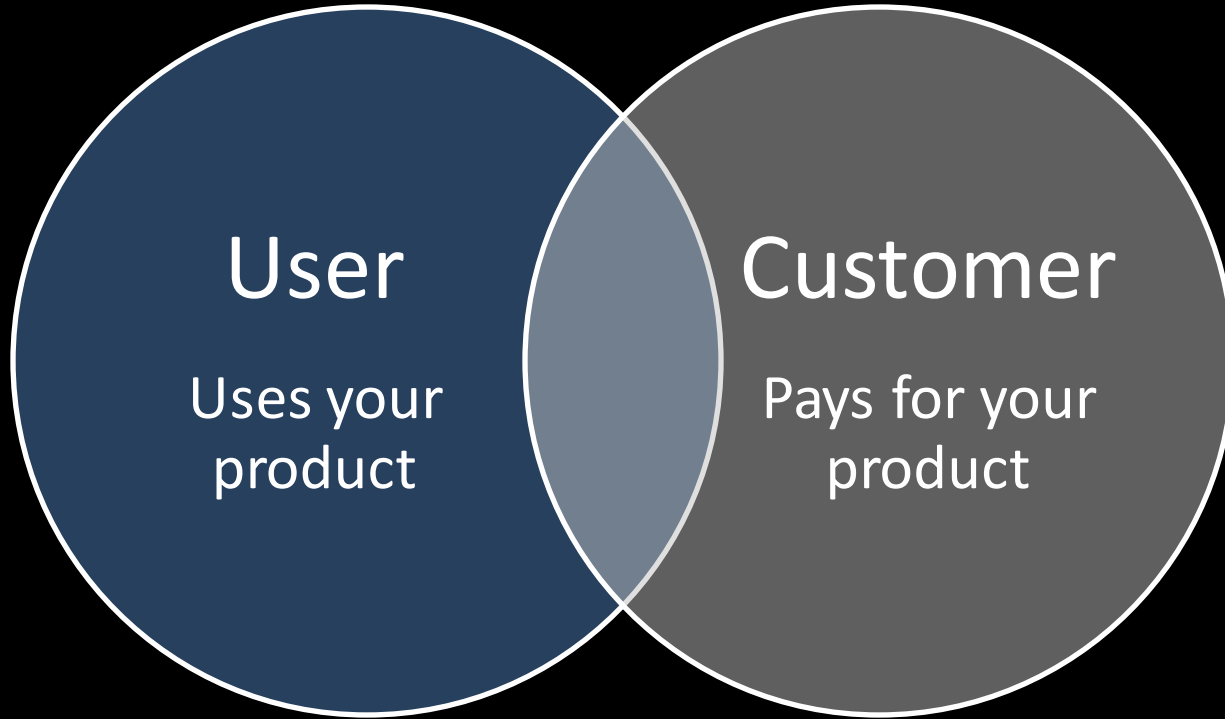




# Validate that someone

1. Has a need and/or problem
2. Would use your solution to fulfill the need if it would be free
3. Will pay for themselves or someone else using your solution
4. (You can deliver the service)

# User and Customer



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Please share with your team

Start your Startup Experience with a relevant target group

**WHO IS THAT SOMEONE?**



Demographics  
and/or  
Psychographics

# Mountain Climbers

Anna Taylor, 21 years old



<https://www.theoia.co.uk/member-news/anna-taylor-joins-berghaus/>

Marcel Rémy, 96 years old



<https://www.planetmountain.com/en/news/alpinism/the-best-climber-in-the-world-marcel-remy-aged-96-attempts-6a.html>

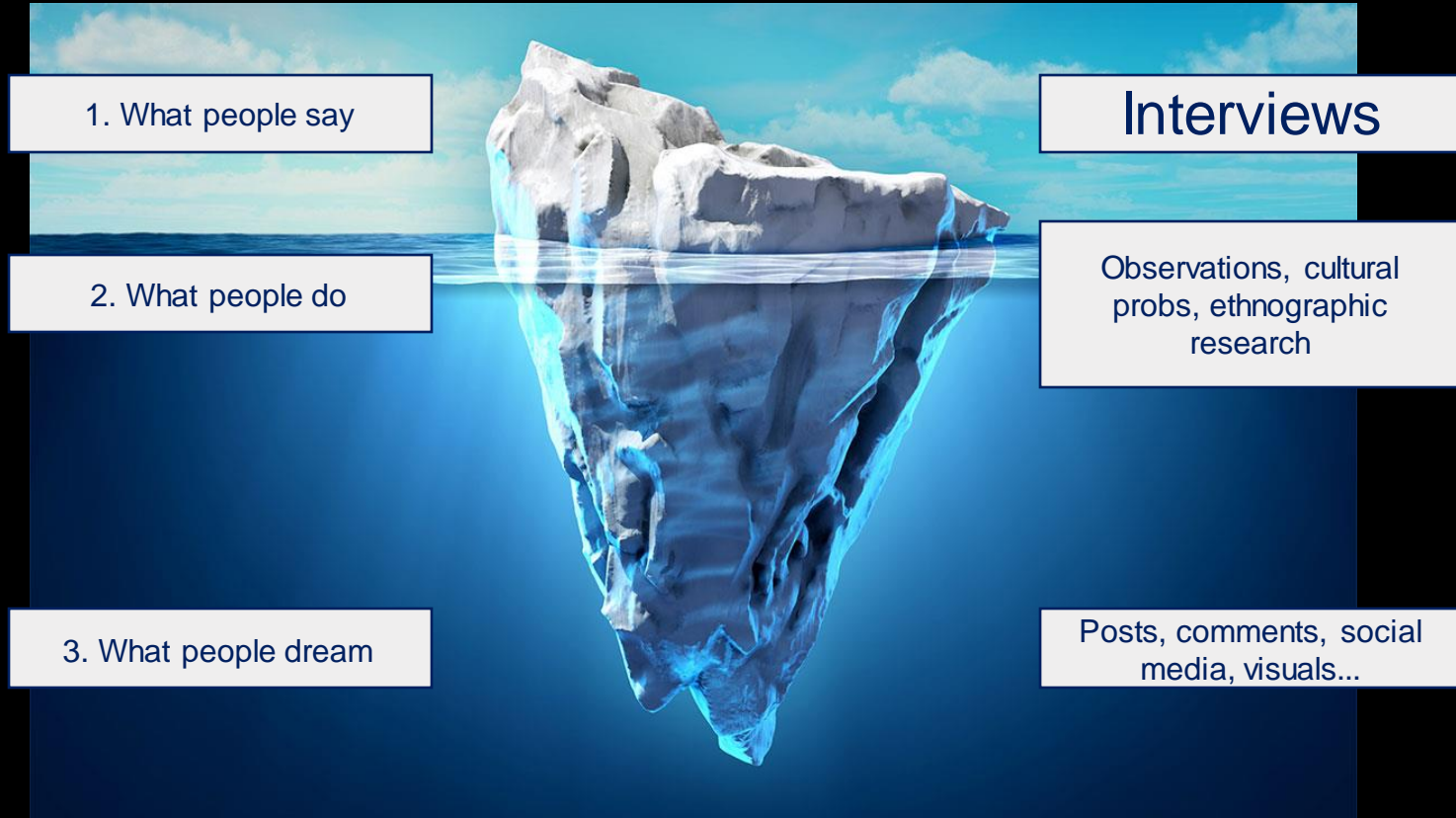
# Want more female tech students?

	Female	Male & other
Studies tech	Not your target group. Can give some insight.	Not your target group. Can give some insight.
Does not study tech	<b>This is your target group.</b>	Not your target group. Can give some insight.

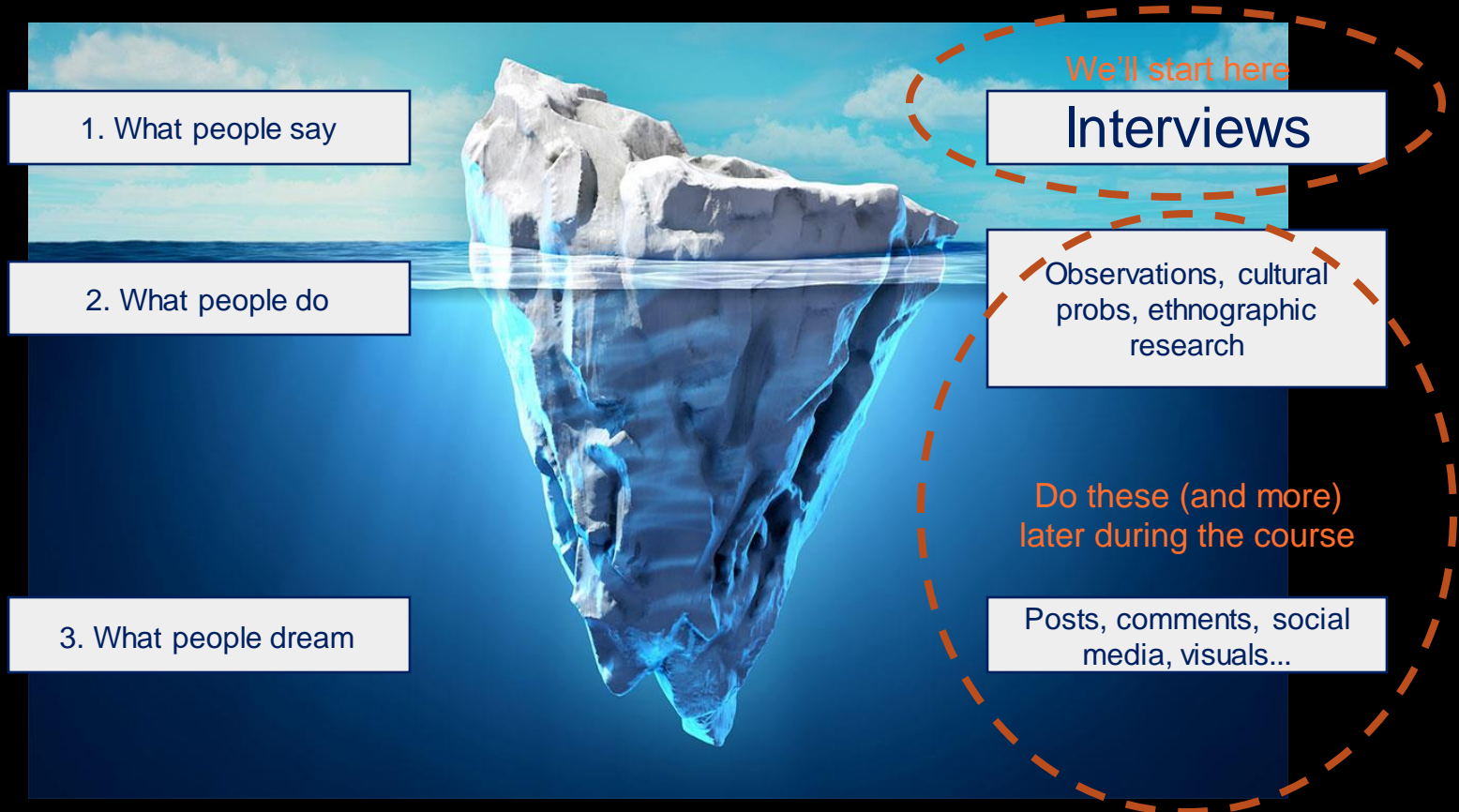
# Want more glass recycling?

	Uses glass packaging	Does not use glass packaging
Recycles glass packaging	Not your target group. Can give some insight.	Not your target group.
Does not recycle glass packaging	<b>This is your target group.</b>	Not your target group.

# User Research. Some Levels of Insights Gathering



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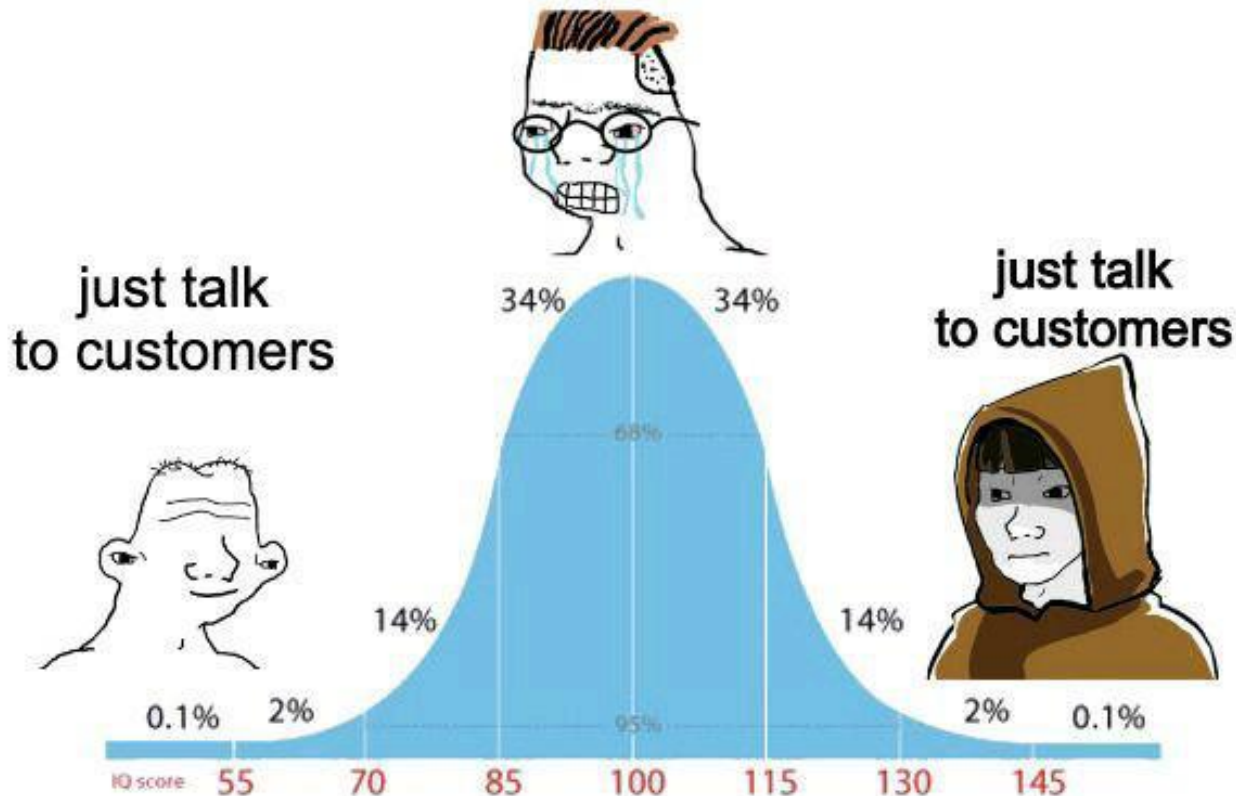
# The Long Interview

- A well-established technique in social science research
- You are looking for insight and understanding, including unknown unknowns aka unkunks
- See instructions for entrepreneurship applications at: <https://sloanreview.mit.edu/article/discovering-unkunks/> (get access through Aalto library if needed)

# Example



**WE SHOULD FOLLOW AN INTERVIEW  
SCRIPT, CREATE RISKY  
ASSUMPTIONS AND TRANSCRIBE INTERVIEWS**



# Mandatory Interviews

# Mandatory Interviews

- **Each team member must interview 3 or more users/customers**
- The interviews must be either meetings or video calls in order to get all the needed understanding.
- Written communications or surveys do NOT count as interviews.
- **Reporting a chat, sms, email etc. discussion or a survey as an interview will lead to failing the assignment**

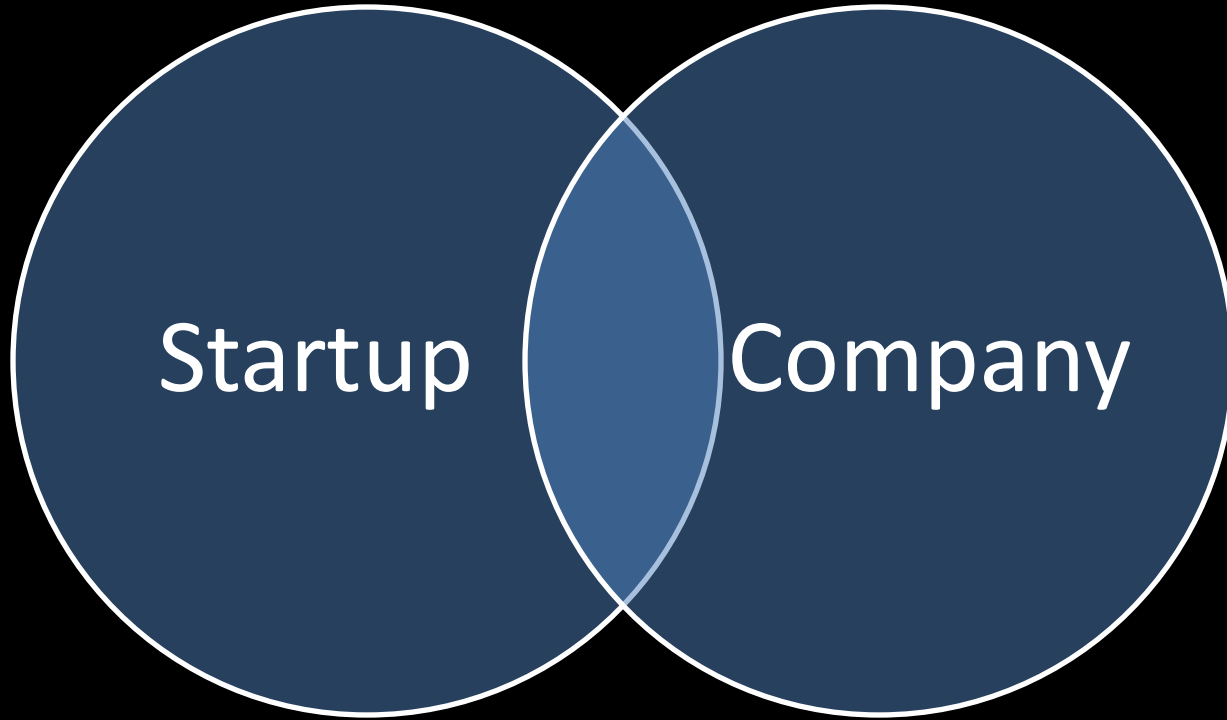
# What counts as an Interview?

- 1 person interviewing 1 person = 1 interview
- Combining either the people to be interviewed or conducting the interview is not allowed in the first interview round.
- Group discussion, focus group etc. = 1 contact in total = 1 interview
- 2 or more people conducting an interview together = 1 contact (only one team member can use this as part of the 5 mandatory contact) = 1 interview

# Practicalities

- Book your slot for final individual exam before the end of next week
- Problem choice description - 19<sup>th</sup> Sep
- Prototyping plan – 23<sup>rd</sup> Sep
- Interview schedule and data collection plan – 28<sup>th</sup> Sep
- Interview findings (1st round) – 4<sup>th</sup> Oct
- Office hour every Thursday from 1 pm to 2pm. Appointment can be booked on Mycourses.

# Startup ≠ Company



If all startups are not companies, then

**WHAT IS A COMPANY?**

# Why do you need to know this?

- Companies are a key tool in an entrepreneurs toolbox
- Investors know this and expect you to know it too (or sometimes exploit your ignorance)



# How well do you know what companies are?

- I have never heard of them
- I've heard of them, but don't know what they are
- I have some idea of what they are, but it's not very clear
- I know what they are and could explain them to the class

# What is a company?

A **company** is a legal entity formed by a group of individuals to engage in and operate a business—commercial or industrial—enterprise. A **company** may be organized in various ways for tax and financial liability purposes depending on the corporate law of its jurisdiction

-Investopedia

# The Magic of Limited Liability

- Company is a legal entity and therefore separate from its owners
- In limited liability company, an owner only risks the equity capital invested, not more
- Therefore, each owner decides the worst-case scenario by deciding how much to invest

# Companies Enable Collaboration

- Several parties can pool resources into a company, which helps growing/'scaling'
- Risks of the company can be controlled separately from the risk of the owner
- Companies are engines of the economic growth and development

# Companies are here

**Search**

**(Exploration)**

Business model

Most Start-ups

**Execution**

**(Exploitation)**

Business plan with known  
customers, offering,  
processes...

Most Companies

# You do NOT need a company before

- Receiving money from customers, investor...
- Paying money out of your company (to suppliers, employees, tax authority etc)
- Therefore, most startups start as informal teams first and form the company later

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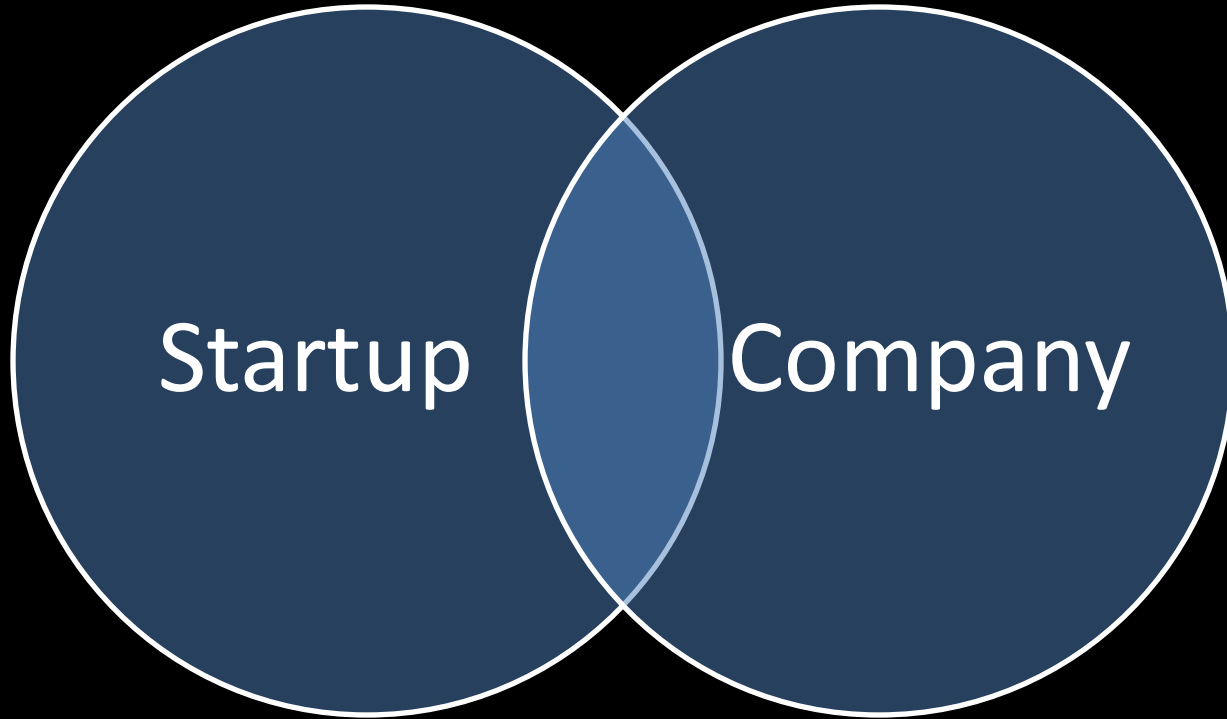
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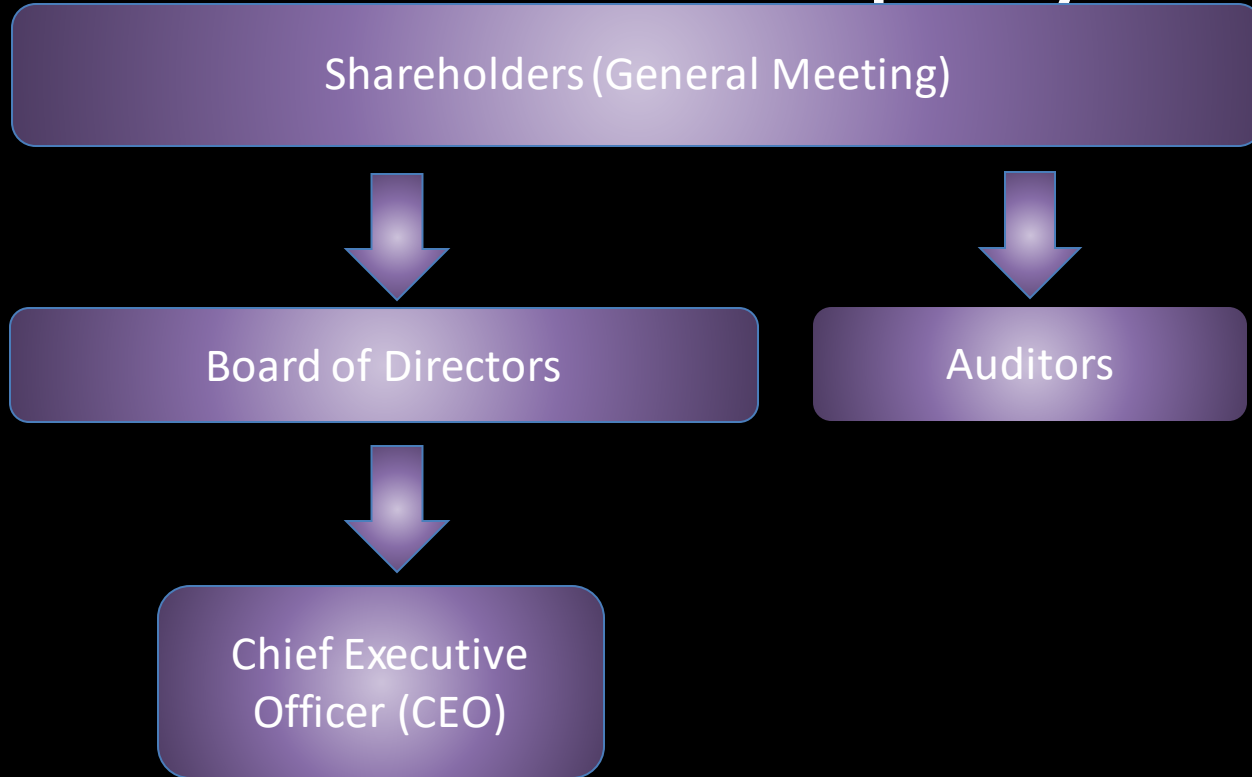


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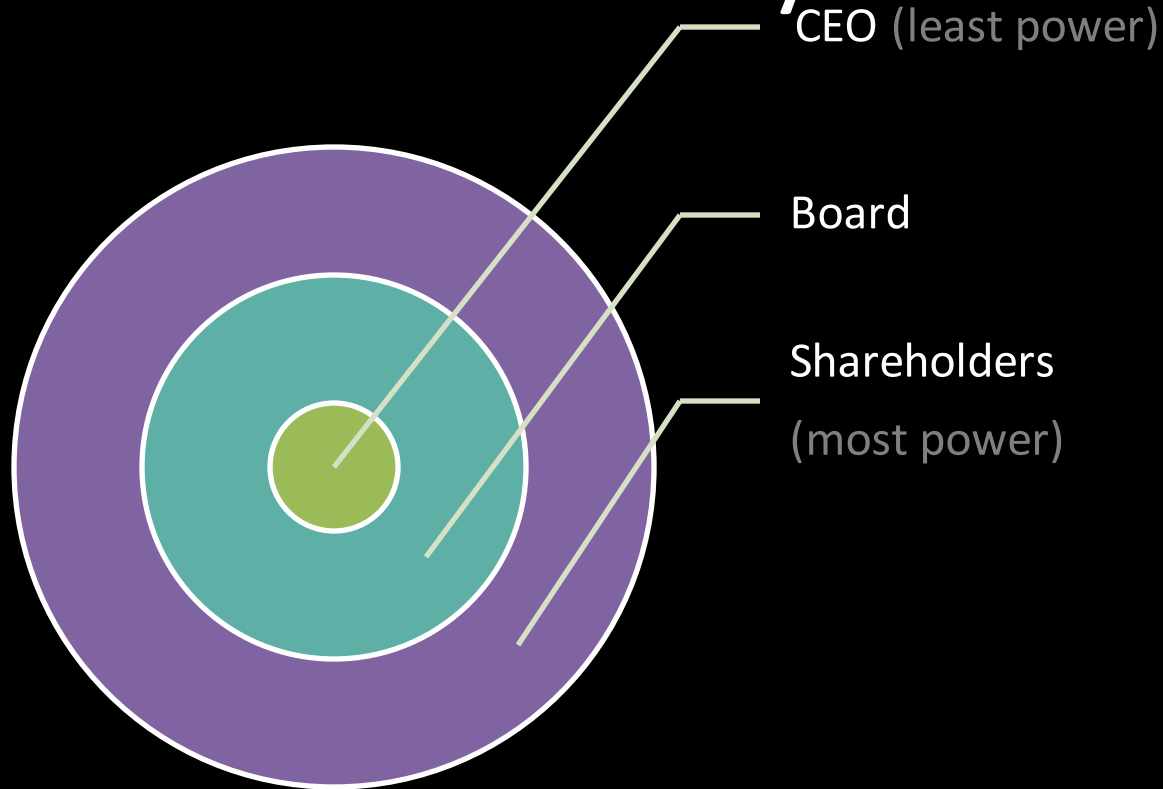


# **OFFICIAL ROLES IN A COMPANY**

# Roles in a Company



# Authority



# 'Constitution' of a company

- Company bylaws
- Shareholder agreement(s), between shareholders (company is not a party in this)
- These should be designed together

# Company Bylaws

Corporate **bylaws** outline the rights, powers and responsibilities of the shareholders, directors and officers, and when they can choose to exercise those powers, and when they can choose not to.

# Shareholders Agreement

A shareholders' agreement describes how the company should be operated and outlines shareholders' rights and obligations. It is done between the shareholders (typically founders and investors)

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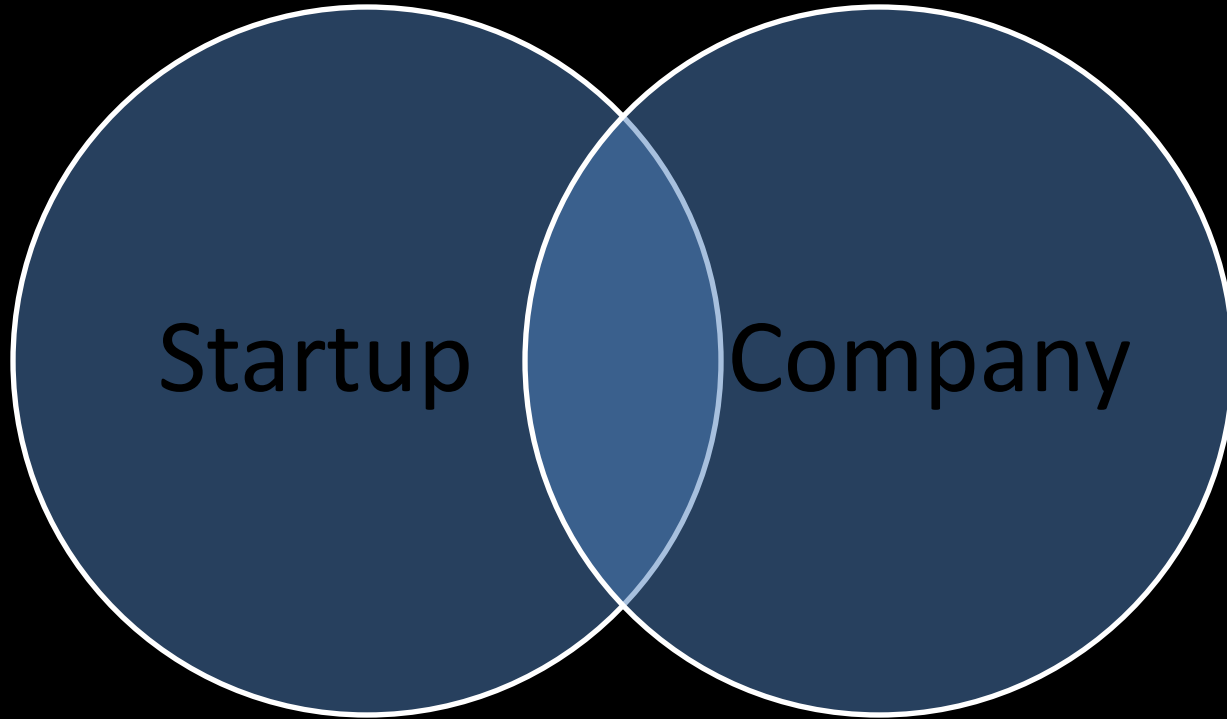


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